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**O'CONNOR  
DAVIES**

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## REPORT TO THE LEGISLATURE ON THE REVIEW OF THE 2015 PROPOSED BUDGET

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- Budget Overview
- New Initiatives
- Discussion Items
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# Budget Overview

- The 2015 Proposed Budget is \$334.5 million, a decrease of \$1.7 million (0.5% decrease) as compared to the adopted budget for 2014
- The budget as proposed contains a property tax levy of \$77,943,104, a decrease of \$800,000 (1.0% decrease) as compared to the adopted 2014 budget
- The appropriation of fund balance:
  - 2014 adopted budget of \$16.71 million
  - 2015 proposed budget \$19.47 million
  - \$2.76 million increase

# New Initiatives

- Infrastructure Investment Program - \$3,500,000
- Tax Stabilization Reserve Fund - \$1,500,000
- Help America Vote Act (3 year takeover) - \$194,329
- Job Creation and Retention Programs - \$500,000
- Apprenticeship Agreements – Proposed new local law for bridge contracts in excess of \$500,000

## Discussion Items

# REVENUES

# Sales Tax

- Budget Assumptions
  - 2014 payments through 10/14/14 – growth at 1.7%
- 2014 Adopted Budget = \$89.0 million
  - Our projection of revenue = \$88.3 million
  - \$700,000 (net of municipal sharing) less than the adopted budget
- 2015 Proposed Budget = \$92.35 million
  - Our projection of revenue = \$92.0 million
  - 1.75% growth on our 2014 projection
  - \$350,000 (net of municipal sharing) less than the proposed budget

**Our projection indicates an unfavorable variance of \$350,000 when compared to the 2015 proposed budget.**

# Interest & Penalties on Real Property Taxes

- 2014 Adopted Budget = \$4.6 million
  - Our projection of revenue = \$4.7 million
  - \$100,000 more than the adopted budget
- 2015 Proposed Budget = \$4.7 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Hotel/Motel Tax

- Budget Assumptions:
  - Minimal growth based on past trends
- 2014 Adopted Budget = \$1.2 million
  - Our projection of revenue = \$1.15 million
  - \$50,000 less than the adopted budget
- 2015 Proposed Budget = \$1.2 million
  - Our projection = \$1.2 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Off Track Betting Tax (OTB)

- 2014 Adopted Budget = \$150,000
  - Our projection = \$100,000
  - \$50,000 less than the adopted budget
- 2015 Proposed Budget = \$100,000

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Gain on Sale of Tax Acquired Property

- 2014 Adopted Budget = \$625,000
  - Our projection = \$1,525,000
  - \$900,000 more than the adopted budget
- 2015 Proposed Budget = \$675,000
  - Our projection = \$775,000

**Our projection indicates a favorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

# Deferred Taxes/Tax Overlay

- 2014 Adopted Budget = (\$750,000)
  - Our projection = (\$500,000)
  - \$250,000 favorable variance
- 2015 Proposed Budget = (\$1,000,000)

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# County Clerk Fees

*(Recording Division)*

- 2014 Adopted Budget = \$1.8 million
  - Our projection = \$1.5 million
  - \$300,000 less than the adopted budget
- 2015 Proposed Budget = \$1.4 million
  - Our projection = \$1.5 million

**Our projection indicates a favorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

# County Clerk Fees

*(Motor Vehicle Division)*

- 2014 Adopted Budget = \$830,000
  - Our projection = \$830,000
- 2015 Proposed Budget = \$780,000
  - Our projection = \$830,000

**Our projection indicates a favorable variance of \$50,000 when compared to the 2015 Proposed Budget.**

# Public Safety Communication

*(Emergency “911”)*

- Received a \$1.7 million grant for an enhanced interoperability communication system
- 2015 Proposed Budget includes additional grants of \$1.7 million continuing the interoperability communication system project

# Appropriation from Reserves

- 2014 Adopted Budget = \$404,000
  - Emergency Telephone (E-911) = \$79,000
  - Stop DWI = \$180,000
  - URGENT Forfeitures = \$145,000
- 2015 Proposed Budget = \$140,000
  - URGENT Forfeitures = \$140,000

# Automobile Use Tax

- 2014 Adopted Budget = \$1.2 million
  - Our projection = \$1.2 million
- 2015 Proposed Budget = \$1.2 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Jail

## *(Inmate Board-Ins)*

- 2014 Adopted Budget = \$1.2 million
  - Our projection = \$1.4 million
  - \$200,000 more than the adopted budget
- 2015 Proposed Budget = \$800,000
  - Our projection = \$200,000

**Our projection indicates an unfavorable variance of \$600,000 when compared to the 2015 Proposed Budget.**

# Department of Public Works

*(Sale of Real Property)*

- 2015 proposed budget
  - Includes \$300,000 of estimated revenue from the sale of **300 Flatbush Ave., Kingston, NY**

# EXPENDITURES

# Personnel Costs

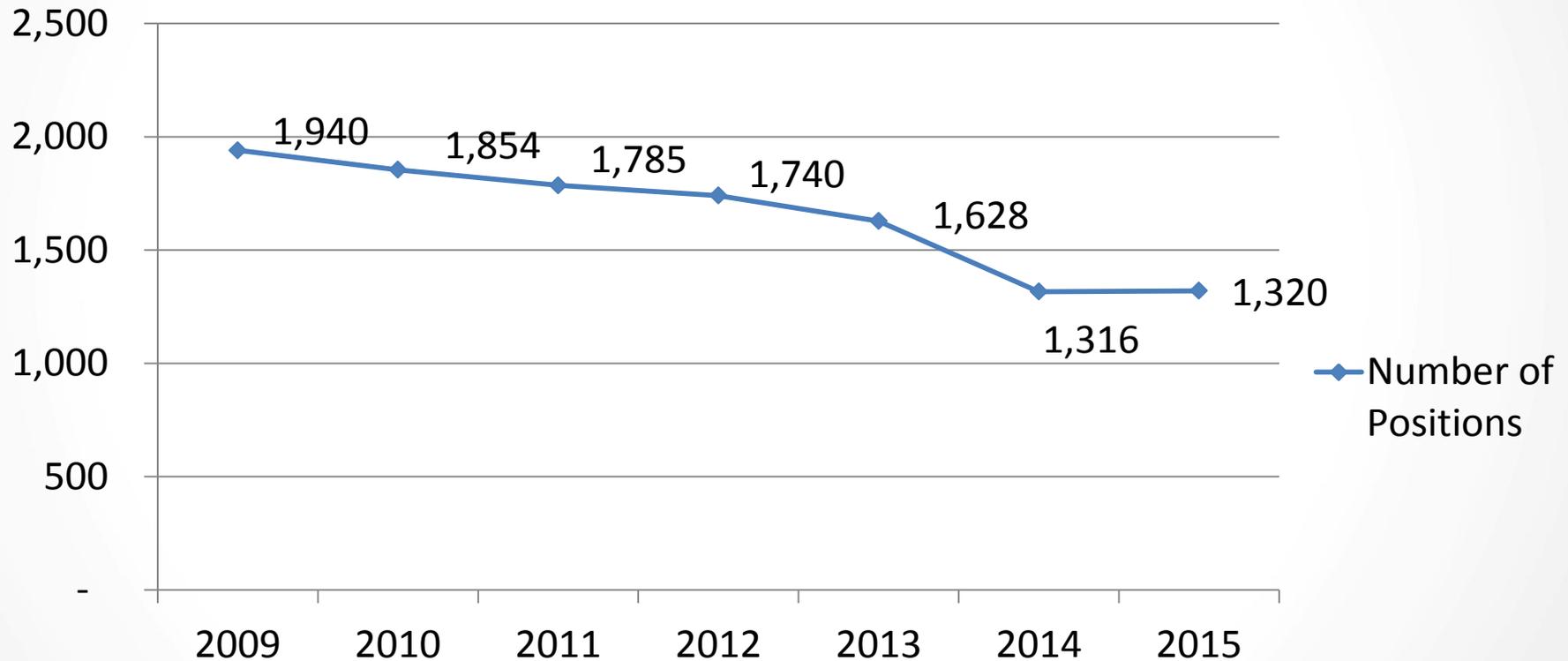
*(Excluding Overtime)*

- 2014 Adopted Budget = \$74 million
  - Our projection = \$70 million
  - \$4 million less than the adopted budget
- 2015 Proposed Budget = \$76.4 million
  - The administration has indicated to us that they do not include a vacancy factor in the budget as a matter of policy

**Our projection indicates that budgetary savings may be available. The County has never budgeted salary savings in order to remain conservative and to have budget flexibility if unforeseen emergencies occur.**

# Budgeted Positions

## Number of Positions



# Vacant Positions

| Department                     | Number of Positions | Salary   |
|--------------------------------|---------------------|----------|
| Buildings                      | 2                   | \$71,800 |
| Bus Operations                 | 1                   | 38,398   |
| Central Data Processing        | 2                   | 91,897   |
| Clerk                          | 1                   | 29,323   |
| Commissioner of Finance        | 3                   | 97,517   |
| Environmental Control          | 1                   | 55,047   |
| Jail                           | 2                   | 82,182   |
| Maintenance of Roads & Bridges | 13                  | 435,653  |

# Vacant Positions *(Continued)*

| Department                     | Number of Positions | Salary                    |
|--------------------------------|---------------------|---------------------------|
| Mental Health Administration   | 1                   | 52,526                    |
| Mental Health Programs         | 1                   | 55,047                    |
| Personnel                      | 1                   | 29,323                    |
| Planning                       | 1                   | 65,334                    |
| Public Health                  | 2                   | 104,978                   |
| Safety Inspection              | 1                   | 33,598                    |
| Social Services Administration | 8                   | 313,234                   |
| WIC Program                    | <u>2</u>            | <u>77,646</u>             |
| <b>Totals</b>                  | <b><u>42</u></b>    | <b><u>\$1,633,503</u></b> |

# Overtime

- Budget Assumptions
  - Vacancies remain stable through 2015
- 2014 Adopted Budget = \$2.4 million
  - Our projection = \$3.1 million
  - \$700,000 more than the adopted budget
- 2015 Proposed Budget = \$2.7 million
  - Our projection = \$3.1 million

**Our projection indicates an unfavorable variance of \$400,000 when compared to the 2015 Proposed Budget. However, this amount could be absorbed by vacancy savings in regular salary lines.**

# Labor Contracts

- Expired Contracts
  - Police Benevolent Association 12/31/09
  - Superior Officer's Unit 12/31/09
- Settled Contracts
  - Sheriff's Association 12/31/15
  - Staff Association 12/31/16
  - Civil Service Employees Association 12/31/16

# Jail

## *(Food Costs)*

- 2014 Adopted Budget = \$700,000
  - Our projection = \$700,000
- 2015 Proposed Budget = \$700,000
  - Our projection = \$700,000

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Jail

## *(Medical Services)*

- 2014 Adopted Budget = \$3.05 million
  - Our projection = \$2.85 million
  - \$200,000 less than the adopted budgeted
- 2015 Proposed Budget = \$2.9 million
  - Our projection = \$2.9 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Employee Benefits

|                               | 2015<br>Proposed<br>Budget<br>(millions) |
|-------------------------------|--|
| Medical Benefits              | \$ 23.0                                  |
| Retirement                    | 14.5                                     |
| Social Security               | 6.1                                      |
| Workers' Compensation         | 3.1                                      |
| Unemployment                  | 0.2                                      |
| Vacation & Sick Time Buybacks | 0.8                                      |
| Other Employee Benefits       | 0.4                                      |
|                               | <u>\$ 48.1</u>                           |

# Employee Benefits

## *(Retirement)*

- 2014 Adopted Budget = \$17.8 million
  - Our projection = \$14.75 million
  - \$3.05 million less than the adopted budget
- 2015 Proposed Budget = \$14.55 million
  - Our projection = \$15.1 million
  - \$550,000 more than proposed budget

**Our projection indicates an unfavorable variance of \$550,000 when compared to the 2015 Proposed Budget.**

# Employee Benefits

*(Medical Benefits [Health, Dental & Vision])*

- 2014 Adopted Budget = \$22.75 million
  - Our projection = \$21.3 million
  - \$1.45 million less than the adopted budget
- 2015 Proposed Budget = \$23 million
  - Allows for an 8% increase in claims costs

# Employee Benefits

## *(Social Security)*

- 2014 Adopted Budget = \$5.9 million
  - Our projection = \$5.6 million
  - \$300,000 less than the adopted budget
- 2015 Proposed Budget = \$6.1 million
  - Our projection = \$6 million

**Our projection indicates a favorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

# Employee Benefits

## *(Unemployment)*

- 2014 Adopted Budget = \$700,000
  - Our projection = \$250,000
  - \$450,000 less than the adopted budget
- 2015 Proposed Budget = \$200,000
  - Our projection = \$200,000

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Department of Social Services

*(Programs included in the 2015 Proposed Budget)*

|  | 2013<br>Actuals<br>(000's) | 2014<br>Adopted Budget<br>(000's) | 2015<br>Proposed Budget<br>(000's) |
|--|----------------------------|-----------------------------------|------------------------------------|
| DSS Administration                         | \$ 21,518                  | \$ 31,251                         | \$ 33,289                          |
| Purchase of Services - Day Care Program    | 3,486                      | 3,025                             | 3,375                              |
| MMIS - Medicaid                            | 36,709                     | 39,358                            | 36,279                             |
| Family Assistance                          | 13,368                     | 14,500                            | 14,000                             |
| Children's Services                        | 24,727                     | 27,029                            | 26,142                             |
| Safety Net                                 | 9,105                      | 9,500                             | 11,000                             |
| Other Programs                             | 1,426                      | 2,075                             | 2,285                              |
| <b>Total Department of Social Services</b> | <u>\$ 110,339</u>          | <u>\$ 126,738</u>                 | <u>\$ 126,370</u>                  |
| County Taxation                            | <u>\$ 57,223</u>           | <u>\$ 61,056</u>                  | <u>\$ 64,153</u>                   |

# Department of Social Services

*(Day Care)*

- 2014 Adopted Budget = \$3 million
  - Our projection = \$3.5 million
  - \$500,000 more than the adopted budget
- 2015 Proposed Budget = \$3.4 million
  - Our projection = \$3.5 million
  - \$100,000 more than the proposed budget

**Our projection indicates an unfavorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

# Department of Social Services

*(Family Assistance)*

- 2014 Adopted Budget = \$14.5 million
  - Our projection = \$13.4 million
  - \$1.1 million less than the adopted budget
- 2015 Proposed Budget = \$14 million
  - Our projection = \$14 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Department of Social Services

*(Safety Net)*

- 2014 Adopted Budget = \$9.5 million
  - Our projection = \$9.5 million
- 2015 Proposed Budget = \$11 million
  - Our projection = \$10.5 million
  - \$500,000 less than the proposed budget

**Our projection indicates a favorable variance of \$500,000 when compared to the 2015 Proposed Budget.**

# Department of Social Services

*(Childcare Division)*

- 2014 Adopted Budget = \$27 million
  - Our projection = \$25.9 million
  - \$1.1 million less than adopted budget
- 2015 Proposed Budget = \$26.1 million
  - Our projection = \$26.05 million
  - \$50,000 less than the proposed budget

**Our projection indicates a favorable variance of \$50,000 when compared to the 2015 Proposed Budget.**

# Debt Service

*(Serial Bonds – Principal and Interest)*

- 2014 Adopted Budget = \$10.1 million
  - Our projection = \$10.05 million
  - \$50,000 less than the adopted budget
- 2015 Proposed Budget = \$9 million
  - Our projection = \$9 million

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Department of Public Works

*(Buildings and Grounds – Electricity and Gas)*

- 2014 Adopted Budget = \$1.25 million
  - Our projection = \$1.6 million
  - \$350,000 more than the adopted budget
- 2015 Proposed Budget = \$1.5 million
  - Our projection = \$1.6 million

**Our projection indicates an unfavorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

# Department of Public Works

*(Buildings and Grounds – Heating Fuel)*

- 2014 Adopted Budget = \$450,000
  - Our projection = \$450,000
- 2015 Proposed Budget = \$495,000
  - Our projection = \$495,000

**Our projection is similar to the amount contained in the 2015 Proposed Budget. Therefore, there is no variance.**

# Department of Public Works

*(Buildings and Grounds – Repairs and Maintenance)*

|  | Increases<br>in 2015<br>Proposed<br>Budget |
|--|--|
| Quarry Substation Building Improvements  | \$ 125,000                                 |
| Court House Elevator Upgrades            | 46,000                                     |
| County Office Building Elevator Upgrades | 50,000                                     |
| Fallen Heroes Memorial                   | 85,000                                     |
| Family Court Moves Re-Configuration      | 325,000                                    |
| Maintain 94 Mary's Avenue (STRIVE)       | 92,500                                     |
|  | <u>\$ 723,500</u>                          |

# Department of Public Works

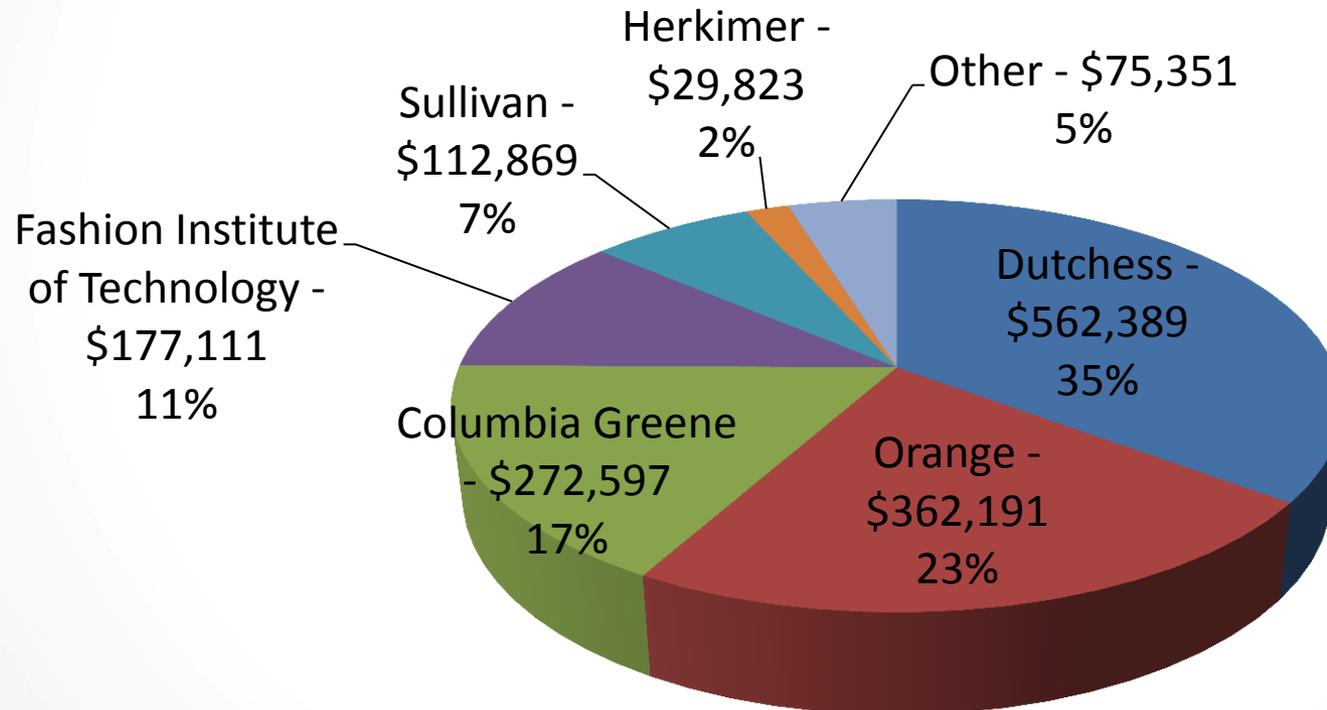
*(Highways and Bridges – Salt and Chloride)*

- 2014 Adopted Budget = \$700,000
  - Our projection = \$850,000
  - \$150,000 more than the adopted budget
- 2015 Proposed Budget = \$700,000
  - Our projection = \$800,000

**Our projection indicates an unfavorable variance of \$100,000 when compared to the 2015 Proposed Budget.**

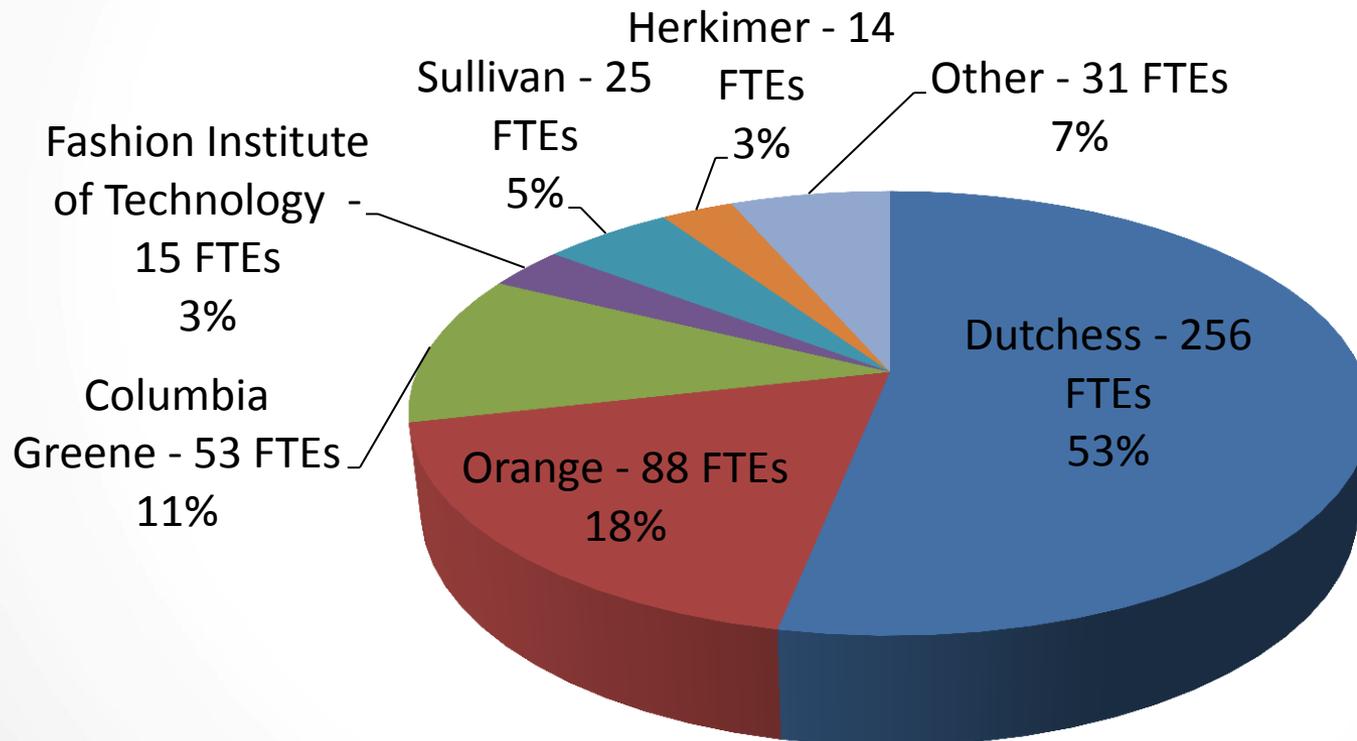
# Community College Tuition Expense

## Community College Chargebacks Amount Paid: 9/1/13 - 8/31/14



# Community College Tuition Expense

## Community College Chargebacks FTE Students: 9/1/13 - 8/31/14



# Community College Tuition

- 2014 Adopted Budget = \$3.85 million
  - Our projection = \$3.5 million
  - \$350,000 less than the adopted budget
- 2015 Proposed Budget = \$4.2 million
  - Our projection = \$3.6 million
  - \$600,000 less than the proposed budget

**Our projection indicates a favorable variance of \$600,000 when compared to the 2015 Proposed Budget.**

# Contingency

## 2015 Proposed Budget

- Components
  - \$825,000 for general contingency

# Bus Operations

*(Ulster County Area Transit – UCAT)*

- 2015 Proposed Budget
  - \$1.1 million for the purchase of buses through the use of Federal and State Aid

# Tobacco Securitization

- No funds transferred from the UTASC for 2015 due to ongoing Trapping event

# Summary of Findings - Revenues

| Revenues                                 | 2015                                       |  | 2014                  |                         |
|--|--|--|-----------------------|-------------------------|
|  | Unfavorable<br>Increase in<br>County Share | Favorable<br>Decrease in<br>County Share | Favorable<br>Variance | Unfavorable<br>Variance |
| Sales and Use Tax                        | \$ 350,000                                 | \$ -                                     | \$ -                  | \$ 700,000              |
| Interest and Penalties on Property Taxes | -  | -  | 100,000               | -                       |
| Hotel/Motel Occupancy Tax                | -  | -  | -                     | 50,000                  |
| Off Track Betting Tax                    | -  | -  | -                     | 50,000                  |
| Gain on Sale of Tax Acquired Property    | -  | 100,000                                  | 900,000               | -                       |
| Deferred Taxes/Tax Overlay               | A -  | -  | 250,000               | -                       |
| County Clerk Fees:                       |  |  |                       |                         |
| Recording division                       | -  | 100,000                                  | -                     | 300,000                 |
| Motor vehicle division                   | -  | 50,000                                   | -                     | -                       |
| Jail - Inmate Board-Ins                  | 600,000                                    | -  | 200,000               | -                       |
| <b>Total Revenues</b>                    | <b>\$ 950,000</b>                          | <b>\$ 250,000</b>                        | <b>\$ 1,450,000</b>   | <b>\$ 1,100,000</b>     |

# Summary of Findings - Expenditures

Expenditures

|                                     |                  |                     |                      |                  |
|-------------------------------------|------------------|---------------------|----------------------|------------------|
| Personnel Costs:                    |                  |                     |                      |                  |
| Salaries                            | \$               | -                   | \$                   | -                |
| Overtime                            |                  | -                   |                      | 700,000          |
| Jail                                |                  |                     |                      |                  |
| Medical services                    |                  | -                   | 200,000              | -                |
| Employee Benefits:                  |                  |                     |                      |                  |
| Retirement Costs                    | 550,000          | -                   | 3,050,000            | -                |
| Health Benefits                     | -                | -                   | 1,450,000            | -                |
| Social Security                     | -                | 100,000             | 300,000              | -                |
| Unemployment                        | -                | -                   | 450,000              | -                |
| Department of Social Services, Net: |                  |                     |                      |                  |
| Administration                      | -                | -                   | 1,200,000            | -                |
| Day Care                            | 100,000          | -                   | -                    | 500,000          |
| Family Assistance                   | -                | -                   | 400,000              | -                |
| Safety Net                          | -                | 300,000             | -                    | -                |
| Child Care Division                 | -                | 50,000              | 250,000              | -                |
| Debt Service                        | -                | -                   | 50,000               | -                |
| Department of Public Works:         |                  |                     |                      |                  |
| Electricity and Gas                 | 100,000          | -                   | -                    | 350,000          |
| Salt and Chloride                   | 100,000          | -                   | -                    | 150,000          |
| Community College Tuition           | -                | 600,000             | 350,000              | -                |
| Contingency                         | -                | -                   | 1,300,000            | -                |
| Total Expenditures                  | <u>850,000</u>   | <u>1,050,000</u>    | <u>11,800,000</u>    | <u>1,700,000</u> |
| Total Revenues and Expenditures     | <u>1,800,000</u> | <u>1,300,000</u>    | <u>13,250,000</u>    | <u>2,800,000</u> |
| Net Impact to County Taxation       | <u>\$ -</u>      | <u>\$ (500,000)</u> | <u>\$ 10,450,000</u> | <u>\$ -</u>      |

QUESTIONS?



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